

## Frequently Asked Questions: California's RPS Feed-in Tariff (FIT) Program

### What is the FIT Program?

California's renewables portfolio standard (RPS) feed-in tariff is authorized by [Section 399.20 of the Public Utilities Code](#). The FIT is a wholesale renewable energy procurement program through which small renewable generators execute a standard offer contract to export renewable energy to one of California's three large investor-owned utilities (IOUs): Pacific Gas & Electric (PG&E), Southern California Edison (SCE), or San Diego Gas & Electric (SDG&E).

To access the individual IOU FIT webpages, click the following:

- [PG&E Feed-in Tariff](#)
- [SCE Feed-in Tariff](#)
- [SDG&E Feed-in Tariff](#)

### Who is eligible to participate in the FIT?

By statute, the FIT is available to renewable generators sized up to 3 megawatts (MW) in size, provided that they are strategically located. Additionally, the California Public Utilities Commission (CPUC) has imposed several viability requirements on projects seeking to participate in the FIT program.<sup>1</sup>

### How can a renewable generator participate in the FIT?

While the rules for the FIT have been adopted by the California Public Utilities Commission, the IOUs administer the program and award FIT contracts. To participate, developers should submit a program participation request (PPR) form with the IOU in whose service territory the developer intends to site its project. After submitting a PPR, the generator will be deemed eligible for the FIT program by the IOU and will be placed into the queue on a first-come, first-served basis for the renewable market adjusting tariff (ReMAT) – the mechanism used to determine the payment rate for FIT contracts.

For more information about how to submit a PPR, please contact the utility through the webpages linked above.

### How does the FIT program work?

After a generator has submitted its PPR and has been deemed eligible for the program by the appropriate IOU, the generator will be eligible to execute a FIT contract. Pursuant to Commission decision, each IOU will make available a proscribed allocation of capacity (MW)

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<sup>1</sup> See, Section 10 (p.69) of [D.12-05-035](#), as modified by Sections 4.8 (p. 24) and 7.2 (p. 69) of [D.13-05-034](#).

each program period.<sup>2</sup> Each program period will be two months in duration, with the first period beginning November 1, 2013. The IOU will offer FIT contracts to eligible generators in the ReMAT queue on a first-come, first-served basis until the utility's capacity allocation for that period has been subscribed.

Note also that each utility maintains separate application queues, with separate offered FIT payment rates, for each of the following three categories of: peaking as-available (e.g., solar), non-peaking as-available (e.g., wind), and baseload (e.g., small hydro).

## **How much will FIT generators get paid?**

The starting offer price for the FIT program for the first program period was \$89.23/MWh (pre-time of delivery adjustments). Based on market interest in the offered price, the ReMAT mechanism is designed to adjust the offered FIT price every program period based on market subscription interest at the previously offered price.<sup>3</sup> If the offered price is too low to stimulate market demand, the ReMAT is designed to increase the offered price. On the other hand, if market interest is high at the offered price, the ReMAT is designed to reduce the offered price.

Note that the payment rate will be fixed for the duration of the generator's contract (10, 15, or 20 years at the option of the generator). The ReMAT will simply operate to adjust the offered FIT payment rate to developers seeking to execute a FIT contract.

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<sup>2</sup> See, Section 4.1 (p. 10) of [D.13-05-034](#) (Ordering that SCE and PG&E each make 5 MW available per product type each program period, and that SDG&E make 3 MW available).

<sup>3</sup> See, Section 6 (p. 38) of [D.12-05-035](#) (Detailing how the ReMAT mechanism works to adjust the price).

**FIT Market Update (as of 2/1/2014)**

IOU	Program Period 1				Program Period 2			
	Total Program Capacity (MW)	Offer Price Pre-TOD (\$/MWh)	Capacity Subscribed (MW)	# of Applicants	Total Program Capacity (MW)	Offer Price Pre-TOD (\$/MWh)	Capacity Subscribed (MW)	# of Applicants
<b>PG&amp;E</b>								
Peaking	36.679	89.23	3.5	15	37.781	85.23	TBD	TBD
Non-Peaking	36.679	89.23	4.496	6	36.785	89.23	TBD	TBD
Baseload	36.679	89.23	0.848	Less than 5	4.433	89.23	TBD	TBD
<b>SCE</b>								
Peaking	33.1	89.23	2.499	13	31.101	85.23	TBD	TBD
Non-Peaking	33.1	89.23	1.325	Less than 5	32.275	89.23	TBD	TBD
Baseload	33.1	89.23	0	Less than 5	33.6	89.23	TBD	TBD
<b>SDG&amp;E</b>								
Peaking	9.452	89.23	2.4	Less than 5	7.052	89.23	TBD	TBD
Non-Peaking	9.452	89.23	0	Less than 5	9.452	89.23	TBD	TBD
Baseload	9.452	89.23	0	Less than 5	9.452	89.23	TBD	TBD